

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,)	
)	Case No. 2:13-cv-14109
Plaintiff,)	
)	
v.)	
)	
LRS Services, L.L.C. (a/k/a LRS, LLC),)	
)	
Defendant.)	

COMPLAINT

The United States of America, by its undersigned counsel, pursuant to the provisions of Section 7401 of the Internal Revenue Code, at the direction of the Attorney General of the United States and with the authorization of a delegate of the Secretary of the Treasury, brings this civil action to seek judgment against Defendant, LRS Services, L.L.C. (a/k/a LRS, LLC), for its failure or refusal to surrender property subject to a levy issued by the Internal Revenue Service (“IRS”) for collection of taxes assessed against the taxpayer, Theresa Buck, and for its complaint alleges the following:

Jurisdiction and Parties

1. Jurisdiction over this action is conferred upon this Court under 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. § 7402.
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1396.
3. Defendant LRS Services, L.L.C. (a/k/a LRS, LLC) has its principal place of business at 2719 Elliott Dr., Troy, MI 48083, which is within the jurisdiction of this Court.

Count for Failure to Honor Levy

4. The allegations set forth in paragraphs 1 through 3 are realleged and incorporated herein by reference.

5. On or about October 21, 2008, an employee of the IRS sent Form 668-W(ICS) (“Notice of Levy on Wages, Salary, and Other Income”) to Defendant, notifying it of the taxes due and owing from taxpayer, Theresa Buck, with respect to assessments made against her that consisted of unpaid civil penalties for the fourth quarter of 2004 with respect to the unpaid employment taxes of Priority Staffing Services and which totaled \$208,159.28, as of November 20, 2008. A copy of the Notice of Levy is attached as Exhibit A.

6. The Notice of Levy demanded the surrender of Ms. Buck’s wages and salary that have been earned but not paid, as well as wages and salary earned in the future until the levy is released, and any other income of Ms. Buck’s that it had become obligated to pay.

7. At the time the Notice of Levy was served on Defendant, Theresa Buck was an employee of Defendant and was owed wages, salary, commission, and/or other income arising from her employment.

8. Defendant continued to pay wages to taxpayer Theresa Buck and informed the IRS that it would not honor the levy.

9. On or about February 13, 2009, an employee of the IRS sent, by certified mail, Form 668-C (“Final Demand for Payment”), demanding payment in the amount of \$208,159.28, or for any smaller amount that Defendant owed or paid to Theresa Buck at the time the Notice of Levy was served, providing that if Defendant did not comply with the Notice of Levy within five days, then the IRS would consider the failure to comply as a final refusal and begin proceedings

under 26 U.S.C. § 6332. A copy of the Final Demand for Payment and executed certified mail receipt are attached as Exhibit B.

10. Defendant failed to comply with the requirements of 26 U.S.C. § 6332, and violated its fiduciary responsibilities to the United States by disbursing the wages at issue to the taxpayer Theresa Buck after receiving the Notice of Levy.

11. As a result of Defendant's continuing failure to honor the United States' levy and surrender the property belonging to Theresa Buck, Defendant is liable to the United States pursuant to 26 U.S.C. § 6332 for a sum equal to the value of the property or rights to property that it failed to surrender for the period during which Ms. Buck was an employee of Defendant, plus interest pursuant to 26 U.S.C. § 6621, from the date of the final demand until payment in full.

WHEREFORE, Plaintiff United States of America respectfully requests that this Court:

A. Enter judgment against Defendant LRS Services, L.L.C. (a/k/a LRS, LLC) for the liability imposed upon it pursuant to 26 U.S.C. § 6332, in an amount equal to the lesser of (i) the value of property or rights to property that Defendant failed to surrender to the IRS pursuant to its October 21, 2008 Levy, plus interest as provided by law, or (ii) the unpaid tax liabilities of taxpayer Theresa Buck, including statutory accruals and interest, for which the Levy was issued;

B. Grant the United States of America its costs in prosecuting this action; and

C. Grant such other and further relief as the Court may deem just and proper.

Respectfully submitted,

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